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US TAX AVOIDANCE

THE "VOLUNTARY TAX" MYTH

The Promoters, What They Charge, Whether It Works — And Who Has Gone to Prison

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Subject of primary analysis: Freedom Law School (https://www.freedomlawschool.org/), founded by Peymon Mottahedeh **Scope:** A forensic survey of the major US tax-avoidance promoters who claim the federal income tax is "voluntary," what each offers, the typical cost, whether the methods work, and the criminal outcomes for promoters and followers.

1. EXECUTIVE SUMMARY

A persistent ecosystem of promoters — anchored by **Freedom Law School** (Peymon Mottahedeh), **Joe Banister** (agentfortruth.com), **Brandon Joe Williams** (The Amnesty Coalition), **David Straight** (American State National), and a wider network of "Redemption," "Accepted for Value," and "bills of exchange" operators — sells variations of a single thesis: **that the US federal income tax is not legally compulsory for the vast majority of Americans and can be lawfully avoided.** Freedom Law School's homepage states the claim with characteristic directness: *"Based on the U.S. Government's official legal websites, no law requires 99% of Americans to file or pay income tax. Guaranteed."*

Does the core claim work?

- **As a marketing proposition — yes.** The sites are professionally built, the sales funnels are coherent, and the emotional hooks (IRS fear, government overreach, financial relief) convert visitors into paying members, donors, and course purchasers. The business model works.
- **As a legal or tax strategy — no.** Every substantive proposition underlying the "voluntary tax" thesis has been **uniformly and repeatedly rejected by every court to consider it** — the US Supreme Court, every circuit court of appeals, the US Tax Court, and the district courts. The arguments appear on the IRS's published list of **frivolous positions** (Rev. Rul. 2007-14; Notice 2010-33; the annually updated compendium *The Truth About Frivolous Tax*

Arguments). Applying them produces civil penalties (§§ 6662, 6702, 6673), collection action (liens, levies, passport revocation under § 7345), and, in flagship cases, **federal imprisonment**.

Have promoters and followers gone to jail? Yes — extensively. The originating architects of these methods (Roger Elvick, Winston Shrout) were imprisoned. The followers of Joe Banister (notably Walter "Al" Thompson) were convicted. Brandon Joe Williams' litigation campaign has produced a **100% loss rate** with sanctions and filing restrictions. David Straight was arrested despite claiming "diplomatic immunity." Bonnie Straight was sentenced to prison for sovereign-citizen-related offenses.

The report that follows details what each promoter offers, what it costs, why the methods fail, and the documented criminal consequences.

2. THE CORE CLAIM: "THE US INCOME TAX IS VOLUNTARY"

2.1 What "voluntary" means in the promoter lexicon

The word "voluntary" is the keystone of the entire genre. It is sourced from a genuine — but catastrophically misread — statement in the Supreme Court's 1960 decision in *Flora v. United States*, 362 U.S. 145, which described the US tax system as resting on "**voluntary self-assessment**." Promoters extract the word "voluntary" and strip it of its legal context.

What "voluntary self-assessment" actually means: The US system, unlike many European systems, does not have the government issue a tax bill to every citizen. Instead, the citizen **voluntarily** computes their own tax liability, files a return, and pays — but the **obligation to do so is compulsory**. The "voluntary" part is the *method of assessment* (self-assessment rather than government-issued bill), **not** the existence of the obligation. The Supreme Court in *Flora* itself upheld the full payment of the tax. The word "voluntary" in this context is the opposite of a loophole: it is a description of the administrative architecture that **places the filing and payment duty on the taxpayer**.

2.2 The five standard "voluntary tax" propositions

Synthesised from Freedom Law School's "7 Easy Steps," Joe Banister's "Investigation," and the wider tax-protester literature, the "voluntary tax" thesis decomposes into five propositions — **each of which has been rejected by every US court to consider it**:

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#	The proposition	Why it fails	Controlling authority
A	**No statute makes the average American "liable" for income tax** (because IRC § 1 does not use the word "liable" for individuals)	IRC § 1 **imposes** the tax on taxable income; IRC § 6151 **requires** payment; IRC § 6012 **requires** filing. The absence of the word "liable" in § 1 is a drafting-style observation, not a loophole.	*United States v. Bowers*, 920 F.3d 220 (4th Cir. 2019); *Parker v. Commissioner*, 117 T.C. 213 (2001)
B	**"Income" constitutionally means only corporate gains, not wages**	*Glenshaw Glass* defined income as "accessions to wealth, clearly realized, over which the taxpayer has complete dominion" — wages included. Every "wages are not income" case has been rejected as frivolous.	*Commissioner v. Glenshaw Glass Co.*, 348 U.S. 426 (1955); *United States v. Connor*, 898 F.2d 942 (5th Cir. 1990)
C	**The income tax and the IRS have authority only over Washington D.C. and federal territories ("foreign-only" / geographic limitation)**	The 16th Amendment authorises a tax on incomes "from whatever source derived." *Brushaber* upheld it against constitutional attack and confirmed it reaches domestic-source income.	*Brushaber v. Union Pacific R.R.*, 240 U.S. 1 (1916); *Stanton v. Baltic Mining*, 240 U.S. 103 (1916)
D	**The IRS manufactures liabilities using "fraudulent computer codes" and § 6020(b) substitute returns**	IRC § 6020(b) **expressly authorises** the IRS to prepare a return for any non-filer. Assessment codes (TC 150, TC 290) are operational bookkeeping identifiers, not fraud.	IRC § 6020(b); *United States v. Woods*; *Roat v. Commissioner*, T.C. Memo 2007-111
E	**The 16th Amendment was never properly ratified**	Examined and rejected by multiple circuits; the Amendment was ratified per *Dyer v. Blair* and decades of subsequent decisions.	*United States v. Benson*, 941 F.2d 598 (7th Cir. 1991); *United States v. Foster*, 789 F.2d 457 (7th Cir. 1986)

2.3 The IRS classification

The IRS publishes a standing compendium — **"The Truth About Frivolous Tax Arguments"** — that catalogues and refutes each of these positions with full citations. Several of Freedom Law School's and Joe Banister's exact contentions appear there **almost verbatim**. The IRS classifies them as **"frivolous"** under **IRC § 6702**, exposing filers to a **$5,000 penalty per frivolous filing**, and courts may impose up to **$25,000** for maintaining a frivolous position in litigation under **§ 6673**. Promoters face **injunction** under **IRC § 7408**.

3. FREEDOM LAW SCHOOL — DETAILED ANALYSIS

3.1 Identity and structure

Freedom Law School (freedomlawschool.org) is the longest-operating and most commercially sophisticated platform promoting the "voluntary tax" thesis in the United States. It was founded by **Peymon Mottahedeh**, who claims on the homepage to have *"not filed or paid U.S. income tax since 1993"* and asserts that *"the IRS knows this, but has never attempted to put Peymon in prison."*

The site is built on **Webflow** (the same platform used by Joe Banister's agentfortruth.com), with video hosted on **Wistia** (under a "Freedom Law School" account), analytics via a self-hosted script (scripts.freedomlawschool.org), and interactive surveys via **BlockSurvey**. It is a professionally produced marketing operation, not a hobby page.

Tagline: *"Never again voluntarily pay the Washington D.C. Swamp, legally and safely, GUARANTEED!"*

3.2 The "7 Easy Steps to Regain Your Power and Freedom"

Freedom Law School's core funnel is a seven-step programme:

1. **"Follow the Law"** — the claim that *"no law requires 99% of Americans to file and pay income tax."*
2. **"Stop filing income tax forms"** — filing a 1040 is framed as a "confession trap" that *"gives the IRS the power to put a noose around your neck."*
3. **"Realize the IRS is Over 99% bluff"** — the assertion that the IRS *"is extremely unlikely to be able to empty your bank account"* if you do not file.

4. **"Write to your lawmakers about the law"** — file and pay *"only if your congressmen can show you the law."*
5. **"Take courage from our victories"** — Peymon's personal non-filing since 1993 is presented as proof.
6. **"Join the Restore Freedom Plan"** — the paid membership product.
7. **"Spread the word!"** — the referral/affiliate arm.

3.3 The legal theory — "United States means only D.C."

Freedom Law School's distinctive legal hook is a **geographic limitation theory**: that the term "United States" in the tax statutes means **only the District of Columbia and federal territories**, not the 50 states. The free email course includes:

- *"Lesson 3 — Many definitions of 'United States' in tax laws prove it ONLY applies to D.C."*
- *"Lesson 4 — Since 1913, has the Federal Income Tax ONLY applied to Federal Territories?"*

This is **Proposition C** from the table in §2.2 above. It is one of the most thoroughly rejected positions in the entire tax-protester canon. The 16th Amendment authorises a tax on incomes **"from whatever source derived,"** and *Brushaber* (1916) expressly held that the federal income tax reaches domestic-source income of citizens of the states. No court has ever accepted the "United States means only D.C." argument.

3.4 What Freedom Law School offers (the product matrix)

Product	What it includes	Cost model
Restore Freedom Plan (RFP) — the flagship	Educational materials; preparation of "Petitions to Congress"; preparation of all IRS paperwork/responses; unlimited consultation with "trained educators" and Peymon; a "100% Guarantee" against IRS levies; criminal defence cost coverage	**Income-based annual membership** — calculated as a percentage of what the member would have paid in federal tax. Paid in cash, crypto (BTC/ETH/XRP), or gold/silver
Employer Freedom Plan	Tools to stop W-2 withholding, including letters to employers and a "DOGE letter" to the Treasury	Included in RFP membership

Freedom Opportunity Plan	Referral/affiliate programme — **50% of the first year's membership** paid by anyone you refer, payable in cash or crypto	No upfront cost; requires RFP membership
Free email course	6 "lessons" delivered by email	Free (lead magnet)
"Freedom Hour" documentary	Video content	Free (lead magnet)
Freedom & Prosperity Rally	Annual in-person event (St. Cloud, FL)	Ticketed

3.5 The "100% Guarantee" — what it actually covers (and what it does not)

Freedom Law School markets a **"100% Guarantee"** that is the central selling point of the Restore Freedom Plan. The agreement's actual terms reveal a carefully constructed structure:

What is guaranteed:

- If the IRS takes property **by Levy or Notice of Levy**, FLS will reimburse the equivalent in *"Federal Reserve Notes, Gold, or cryptocurrency, at FLS's choice"* — within 30 days of written proof.
- *"In the extremely unlikely chance that the IRS threatens you with prison time, Freedom Law School will pay all legal costs to keep you free."*

What is NOT guaranteed (the exceptions):

- **IRS "lock-in letters"** to employers (maximum withholding demands) — explicitly excluded.
- **Backup withholding** under the IRS "C" program — FLS *"cannot stop this order."*
- **Jeopardy assessments** under IRC § 6861 — FLS *"cannot stop such action."*
- **State income tax** work — handled *"on a realistic, as best as possible basis only"*; **not guaranteed.**
- Any year in which the member **filed** a 1040.
- Any funds earned while a **citizen or resident of Washington D.C.**, or earned from **federal government work in D.C.**, or from D.C. business/real estate.

Conditions to qualify:

- The member must have *"lawfully and correctly"* not filed a 1040.
- The member must have sent **all** IRS correspondence to FLS in a timely manner.
- The member must maintain current membership and be up-to-date on payments.
- The membership rate must have been *"calculated using reasonably accurate numbers."*

Criminal charge coverage is limited to:

- Furnishing a fraudulent IRS Form W-4.
- Willful failure to file (for years in which no return of any kind was filed).
- Tax evasion under 26 USC § 7201.

The structural observation: The guarantee is a commercial promise **from Freedom Law School**, not a legal shield **from the IRS**. It does not prevent the IRS from assessing tax, imposing penalties, filing liens, revoking a passport under § 7345, or prosecuting criminally. It is, at best, a reimbursement undertaking from a private entity — one whose ability to pay depends on its own solvency and on its own characterisation of whether the member "qualified." If FLS itself were subjected to an injunction under § 7408, or if its principals were prosecuted (as the originating promoters of these methods were), the guarantee would be worth no more than the paper it is printed on.

3.6 Does Freedom Law School's method work?

- **As a membership business — yes.** The funnel is coherent (free lessons → emotional hook → income-based membership → referral programme → rally circuit). The "100% Guarantee" is a powerful conversion device. The ecosystem cross-promotes with Joe Banister (agentfortruth.com, whose Wistia videos are hosted under the Freedom Law School account), reinforcing in-group credibility.
- **As a legal position — no.** Every proposition FLS advances — "no law requires 99% of Americans to file," "United States means only D.C.," "filing is a confession trap" — is on the IRS's frivolous list and has been rejected by every court. A member who stops filing exposes themselves to the full stack of penalties and prosecution risk detailed in §7 below.
- **The "Peymon hasn't been prosecuted since 1993" claim** is the single most rhetorically powerful element — but it is an **argument from absence**, not a legal vindication. The IRS prosecutes a small fraction of non-filers each year; non-prosecution to date is not a judicial determination that the underlying theory is correct. The originators of every adjacent

method (Elvick, Shrout) operated for years before prosecution — and then received lengthy sentences.

4. THE WIDER NETWORK OF US TAX-VOIDANCE PROMOTERS

Freedom Law School is the anchor of a broader ecosystem. The following survey catalogues the other major promoters, what they offer, what they charge, and their documented outcomes.

4.1 Joe Banister — agentfortruth.com

Identity: Joseph R. ("Joe") Banister, CPA — a **genuine former IRS Criminal Investigation Division (CID) Special Agent** who resigned in 1999 after submitting an internal report questioning the legality of the income tax. He was indicted in 2004 and **acquitted of all criminal charges in 2005** in Sacramento.

What he promotes: The standard tax-protester thesis — no liability statute, "income" means only corporate gains, IRS authority is foreign-only, IRS uses "fraudulent computer codes."

What he offers:

- A 239-page book, *Investigating the Federal Income Tax*, unlocked by a ≥ **$30 donation** (processed via PayPal under "Avanti Management Group, Inc.").
- A free PDF "Preliminary Report" (lead magnet).
- Email list subscriptions (AWeber).
- Speaking events (rally circuits alongside figures such as Laura Loomer, Lauren Witzke, Jim Gale).
- Cross-promotion with Freedom Law School.

Does it work?

- **As a website/brand — yes.** It is one of the most credentialed presentations of the tax-protester thesis in existence, leveraging the unique "former IRS Special Agent" badge.
- **As a legal position — no.** Every claim is on the IRS frivolous list. Critically, the 2005 acquittal was on **criminal willfulness elements** — a jury finding that the government failed to prove beyond reasonable doubt that Banister *wilfully* aided a crime. This is **not** a judicial finding that his theories are *correct*.

Consequences:

- Banister's **CPA license was revoked** by the California Board of Accountancy.
- His **license to practice before the IRS** (Circular 230) was **suspended**.
- His client, **Walter "Al" Thompson**, was **convicted** of failing to withhold and pay over taxes and **sentenced to prison**.
- He has been the subject of **federal injunction** proceedings in related contexts.

4.2 Brandon Joe Williams — The Amnesty Coalition

Identity: California-based alternative legal theorist, founder of "The Amnesty Coalition," promoter of "State National" status and "Contract Killer" / "Amnesty Project" courses.

What he promotes: A fusion of sovereign-citizen myths with literalist UCC interpretation:

- **"Strawman" / entity-splitting:** the natural person is separate from the ALL-CAPS corporate fiction (BRANDON JOE WILLIAMS®, a registered trademark).
- **"Vapor money" theory:** because banks create credit ex nihilo, the borrower's signature "creates currency" and the loan is void.
- **"Presentment" under UCC Article 3:** tender a self-made promissory note; if the creditor refuses, the debt is "discharged" under UCC § 3-603(b).

What he offers: Downloadable forms, "Contract Killer" courses, podcast appearances, and attorney-in-fact representation of followers in federal litigation.

Does it work? No — 100% loss rate. An empirical analysis of his litigation dockets (13 cases) reveals:

- *Knapp v. Compass Minnesota* — **dismissed with prejudice; Rule 11 sanctions; attorneys' fees; affirmed 8th Cir.**
- *Knapp v. Wings Credit Union* — **dismissed with prejudice; permanent filing restrictions; affirmed 8th Cir. 2025.** The court called the theory "nonsensical."
- *Williams v. American Express* — **dismissed with prejudice; leave to amend denied.** The court held credit card accounts are not negotiable instruments and the "vapor money" theory is frivolous.
- *Williams v. SBA* — **dismissed under sovereign immunity; affirmed 9th Cir.; cert petition pending at SCOTUS (No. 25-1221).**

- *Williams v. City of Glendale* (multiple rounds) — **all dismissed** for lack of jurisdiction or cognizable damages.

Why he loses: (i) the "vapor money" doctrine is universally rejected as frivolous; (ii) UCC Article 3 applies only to **negotiable instruments**, not bilateral contracts (credit card agreements, utility bills, real estate representation agreements); (iii) UCC § 3-603(b) discharge applies only to valid tender of legal tender, not self-made paper; (iv) the criminal statutes he cites (peonage, trafficking) create no private right of action; (v) sovereign immunity bars suits against federal agencies.

4.3 David Straight — American State National (ASN)

Identity: Promoter operating through AORHelp.com and seminar circuits, marketing "American State National" status, "5-Star Passports," and "Do Not Detain" lists.

What he promotes:

- **ASN status:** by filing an "Affidavit of Repudiation" (AOR) and "correcting your status," you become a sovereign of your state, outside federal jurisdiction, immune from statutory law and taxes.
- **"5-Star Passport" / diplomatic immunity:** claiming "Non-Citizen National" status to obtain a passport that allegedly signals diplomatic immunity and places you on a federal "Do Not Detain" list.
- **CPS "rescue":** claiming ASN paperwork can recover children from Child Protective Services.

What he offers: ASN paperwork packages, seminar tickets, AOR filing services.

Does it work? No.

- **David Straight himself was arrested in Texas (2023)** for driving without a license or plates. He was booked, fingerprinted, and charged. His "diplomatic immunity" provided zero protection.
- **His wife, Bonnie Straight, was sentenced to prison** for sovereign-citizen-related offenses.
- There is **no recorded case** of a follower successfully using a "5-Star Passport" to avoid arrest for a serious crime. The "wins" are dismissals of minor traffic tickets due to officer discretion, repackaged as "proof."

- In CPS custody cases, ASN filings are viewed as "pseudolegal obstruction" and routinely result in **loss of visitation rights**.

Why it fails: "U.S. National" (non-citizen) status is reserved by 8 U.S.C. § 1408 for persons born in outlying possessions (e.g., American Samoa). A person born in Ohio claiming this status on a passport application is making a **false statement on a federal document** — a crime. A "U.S. National" passport grants **zero diplomatic immunity**; it is a travel document. Police do not maintain "Do Not Detain" lists for passport codes. States have police power to regulate roads for all operators.

4.4 Cal Washington — InPower Movement

Identity: Operator of inpowermovement.org, structured as *"an unincorporated non-profit association operated as a tax-immune, integrated auxiliary business of Revelation 18 Church, a 508(c)(1)(A) organization."*

What he promotes:

- **"Notice of Liability" (NoL):** a multi-page commercial document served on officials, utility executives, or smart-meter installers, charging them tens of thousands of dollars per day for "harms/agendas" (5G, smart meters, geoengineering).
- **"The bill is the money":** the NoL is itself a financial instrument that can "suck the wealth out of the current system."
- **"Bonding the case":** using a birth certificate to "indemnify" court cases and force judges to recuse.
- **"Silence = consent":** if the recipient does not rebut the NoL, it becomes a "default judgment."

What he offers: Membership, NoL document templates, video library access.

Does it work? No. The NoL process is **non-operational**. What Washington describes as "wins" (officials leaving the room, stepping down) are operational, political, or safety withdrawals — not recognition of commercial liability. Courts interpret the NoL tactics as **"paper terrorism"** and a **refusal to plea/dishonour**, which can trigger **summary conviction or harsher sentencing**.

4.5 Roger Elvick — the originator (Redemption / A4V)

Identity: The original architect of the "Redemption" and "Accepted for Value" (A4V) method that underpins virtually every bill-of-exchange and strawman scheme in existence.

What he promoted: The strawman/Cestui Que Vie trust theory — that the birth certificate creates a secret trust account holding the capitalised value of the citizen's future labour, and that "Accepted for Value" stamps on bills can draw on this account to discharge debts.

Outcome: Convicted of federal offences and imprisoned. The US Treasury has stated of these methods: *"The theory behind their use is bogus and incomprehensible."*

4.6 Winston Shrout — bonded promissory notes and sight drafts

Identity: Promoter of "bonded promissory notes" and sight drafts as instruments to discharge debt and tax.

Outcome: Convicted in the District of Oregon (2017) on charges including **uttering fictitious obligations** and **securities fraud**; **sentenced to federal prison.**

5. DO THESE SCHEMES WORK? — THE BIFURCATED ANSWER

5.1 As marketing and business — YES

Every one of these operations is, in commercial terms, a functioning business. The persuasion model works because it exploits:

1. **The halo of authority** — a former IRS Special Agent (Banister); a 25-year non-filer (Peymon); a credentialed "expert."
2. **Genuine grievances** — the tax code is genuinely complex; IRS administration is genuinely imperfect; many Americans are genuinely financially squeezed.
3. **The "clean explanation" seduction** — *"it's all illegitimate / it only applies to D.C. / there is no law"* is simpler and more emotionally satisfying than the actual statutory architecture.
4. **Selection bias in evidence** — quoting *Brushaber*, *Eisner*, *Stratton* selectively while never citing *Glenshaw Glass*, *Bowers*, *Connor*.
5. **In-group / enemy framing** — IRS, DOJ, "mainstream media" as conspiratorial antagonists, pre-discounting contrary evidence.
6. **The acquittal / non-prosecution narrative** — *"they tried to jail me and failed"* or *"I haven't been prosecuted in 30 years"* operates as a substitute for legal correctness.

5.2 As legal or tax strategy — NO

There is no reported US case in which any of these methods has succeeded. The record is one of **uniform, total failure**:

- Every civil litigant who has deployed "vapor money," A4V, or bills of exchange theories has **lost**.
- Every company that has deployed bills of exchange against HMRC has been **wound up**.
- The originating promoters have been **imprisoned**.
- The followers who acted on the advice have been **convicted, sanctioned, fined, and restricted**.

5.3 The "it worked for a while" illusion

Some promoters cite anecdotal "wins" — a dismissed traffic ticket, an official stepping down, a temporary cessation of collection activity — as proof the methods work. These are invariably the product of administrative discretion, procedural confusion, or operational withdrawal — not legal recognition of the underlying theory. A traffic officer who lets a sovereign citizen go rather than endure a roadside lecture has not validated the theory; an official who declines to engage with a "Notice of Liability" has not created a commercial liability. When these matters reach a court of competent jurisdiction, the theories are uniformly rejected.

6. WHY THE METHODS FAIL — THE TECHNICAL CORE

6.1 The statutory architecture is closed

- **IRC § 1** imposes the tax on the taxable income of every individual.
- **IRC § 61** defines "gross income" broadly ("all income from whatever source derived").
- **IRC § 63** defines "taxable income."
- **IRC § 6011 / 6012** require the filing of returns.
- **IRC § 6151** requires payment when a return is filed.
- **IRC § 6020(b)** authorises the IRS to prepare a substitute return for any non-filer.

There is no gap. The absence of the word "liable" in § 1 is a drafting-style observation about the structure of excise taxes (which designate a specific person to collect), not a loophole in the income tax.

6.2 "Income" includes wages

Glenshaw Glass (1955) defined income as *"accessions to wealth, clearly realized, over which the taxpayers have complete dominion."* Wages are accessions to wealth. Every court to consider "wages are not income" has rejected it as frivolous.

6.3 Bills of exchange and promissory notes are not money

- A bill of exchange is an **order to a third party (the drawee) to pay** — it is not legal tender, and no creditor (including HMRC or the IRS) is required to accept one.
- A signature transforms paper into an **enforceable obligation**; it does not conjure **value**. "Enforceable" is not the same as "funded."
- A homemade bill drawn on a "birth trust," a "Cestui Que Vie account," or a "Treasury exemption" is drawn on an account/institution that **cannot settle**. In statutory language, these are **fictitious obligations** (18 U.S.C. § 514).

7. CRIMINAL CONSEQUENCES — WHO HAS GONE TO JAIL

7.1 Promoter prosecutions and sentences

Promoter	Method	Outcome
Roger Elvick	Redemption / A4V (originator)	**Convicted and imprisoned**
Winston Shrout	Bonded promissory notes, sight drafts	**Convicted 2017 (D. Oregon); sentenced to federal prison** (uttering fictitious obligations, securities fraud)
Bonnie Straight	Sovereign-citizen offenses	**Sentenced to prison**
Walter "Al" Thompson (Banister's client)	Failure to withhold/pay over taxes	**Convicted and imprisoned**

7.2 Followers who faced criminal prosecution

Numerous followers have been convicted under **18 U.S.C. § 514** (fictitious obligations) for tendering self-made instruments to the IRS and to mortgagees. The DOJ Tax Division and IRS Criminal Investigation have made prosecution of tax-defier promoters a standing priority.

7.3 The standard federal charges

Charge	Statute	Maximum penalty
Tax evasion	26 U.S.C. § 7201	5 years / $250,000 per count
Willful failure to file	26 U.S.C. § 7203	1 year per count
False return	26 U.S.C. § 7206	3 years per count
Conspiracy to defraud the US	18 U.S.C. § 371	5 years
Mail fraud	18 U.S.C. § 1341	20 years
Wire fraud	18 U.S.C. § 1343	20 years
Bank fraud	18 U.S.C. § 1344	30 years
Uttering fictitious obligations	18 U.S.C. § 514	25 years

7.4 Civil consequences (even without prosecution)

Consequence	Statute	Exposure
Back taxes + interest	IRC §§ 6601, 6654	Substantial accumulation
Accuracy-related penalty	IRC § 6662	20% of underpayment
Failure-to-file / failure-to-pay	IRC §§ 6651(a)(1), (a)(2)	5%/month, capped at 25%
Frivolous-return penalty	IRC § 6702	$5,000 per filing
Frivolous-position litigation penalty	IRC § 6673	Up to $25,000
Civil fraud penalty	IRC § 6663	**75%** of underpayment
Federal tax liens	IRC §§ 6321–6331	Attach to all property
Levies	IRC § 6331	Bank account, wages, assets seized
Passport revocation	IRC § 7345	DOS revokes/denies passport for seriously delinquent debt

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8. COST SUMMARY — WHAT EACH PROMOTER CHARGES

Promoter	Product	Typical cost
Freedom Law School (Peymon Mottahedeh)	Restore Freedom Plan (annual membership)	**Income-based** — calculated as a percentage of what the member would have paid in federal tax; paid in cash, BTC/ETH/XRP, or gold/silver
Freedom Law School	Freedom Opportunity Plan (referral)	50% of referred member's first-year fee
Joe Banister (agentfortruth.com)	Book via donation	≥ **$30** (PayPal to "Avanti Management Group, Inc.")
Brandon Joe Williams	"Contract Killer" courses, forms	Course fees (variable); downloadable forms
David Straight	ASN paperwork, seminars	Seminar tickets + AOR filing fees
Cal Washington (InPower)	Membership, NoL templates	Membership fees

The structural observation on cost: Freedom Law School's income-based model is particularly notable. By pricing membership as a percentage of the tax the member would otherwise pay, FLS captures a significant portion of the "savings" — meaning the member pays FLS a substantial sum for a method that does not work legally, while remaining fully exposed to the IRS. The member effectively pays twice: once to FLS, and again (with penalties and interest) to the IRS when the scheme fails.

9. WHY PEOPLE FALL FOR IT — THE PERSUASION ARCHITECTURE

The persistence of these schemes despite a 100% litigation loss rate and extensive imprisonments is itself a phenomenon worth diagnosing:

1. **Authority signalling.** A former IRS Special Agent (Banister); a 25-year non-filer (Peymon); "trained educators." The eye is drawn away from revoked licences and suspended privileges.
2. **The acquittal / non-prosecution fallacy.** "They tried to jail me and a jury cleared me" (Banister) or "I haven't filed since 1993 and the IRS hasn't touched me" (Peymon) are emotionally overwhelming — but neither is a judicial finding that the underlying theory is correct.
3. **Real grievances, fake remedies.** The tax code is genuinely complex; IRS administration has genuine flaws; financial pressure is real. The schemes offer a clean, seductive explanation for diffuse frustrations.
4. **In-group reinforcement.** Rally circuits, podcast networks, social media echo chambers, and referral programmes create communities where the theory is never challenged by adverse authority.
5. **The "guarantee" device.** Freedom Law School's "100% Guarantee" creates the impression of institutional backing — but it is a promise from a private entity, not a legal shield.
6. **Sunk-cost dynamics.** Once a member has paid fees, stopped filing, and built a social identity around the movement, admitting the scheme does not work becomes psychologically and financially costly.

10. CONCLUSION

The claim that the US federal income tax is "voluntary" — in the sense that 99% of Americans have no legal obligation to file or pay — is false. It has been rejected by every court to consider it, from the Supreme Court (*Brushaber*, *Glenshaw Glass*) through every circuit (*Bowers*, *Connor*, *Benson*) to the Tax Court (*Parker*). It appears on the IRS's published list of frivolous positions. The statutory architecture (IRC §§ 1, 61, 6012, 6151, 6020(b)) is closed; there is no loophole arising from the absence of the word "liable" in § 1.

Freedom Law School and the wider promoter network sell a product that works as a business but not as law. The methods do not discharge debt, do not eliminate tax liability, and do not confer immunity. The originating promoters (Elvick, Shrout) were imprisoned. The followers (Thompson, the Knapps, Hauschildt) have been convicted, sanctioned, and financially ruined. Brandon Joe Williams' litigation campaign has produced a 100% loss rate. David Straight was arrested despite claiming diplomatic immunity.

The cost of these schemes is not only the fees paid to the promoters. It is the compounding of back taxes, interest, civil penalties (up to 75% for fraud), frivolous-filing penalties ($5,000 each), litigation sanctions, filing restrictions, asset seizure, passport revocation, and — in the flagship cases — federal imprisonment. The member pays the promoter, remains fully liable to the IRS, and faces a predictable stack of consequences that the promoter's "guarantee" cannot prevent.

The technical lesson is final: a signature creates an obligation; it does not create money. A bill of exchange orders a funded drawee to pay; it does not compel an unwilling creditor to accept worthless paper. Ex nihilo credit creation is a licensed privilege of banks, not a power available to a private trust or an individual. There is no birth trust, no secret Treasury account, no Cestui Que Vie credit, and no "magic phrasing" that changes any of this. The US income tax is compulsory. The schemes do not work.

APPENDIX A — KEY STATUTORY INDEX

Provision	Function
IRC § 1	Imposes income tax on taxable income of individuals
IRC § 61	Defines "gross income" broadly ("all income from whatever source derived")
IRC § 63	Defines "taxable income"
IRC § 6011 / 6012	Require filing of returns
IRC § 6151	Require payment when return filed
IRC § 6020(b)	Authorise IRS substitute returns for non-filers
IRC § 6651	Failure-to-file / failure-to-pay penalties
IRC § 6662	Accuracy-related penalty (20%)
IRC § 6663	Civil fraud penalty (75%)
IRC § 6673	Court penalty for frivolous positions (≤ $25,000)
IRC § 6702	Frivolous tax submission penalty ($5,000)
IRC § 6861	Jeopardy assessments
IRC § 7345	Passport revocation for seriously delinquent debt
IRC § 7408	Injunctions against promoters of frivolous positions
26 U.S.C. § 7201 / 7203 / 7206	Criminal evasion / failure to file / false return

18 U.S.C. § 371	Conspiracy to defraud the United States
18 U.S.C. § 514	Uttering fictitious obligations
18 U.S.C. § 1341 / 1343 / 1344	Mail / wire / bank fraud

APPENDIX B — LEADING CASES REFUTING THE "VOLUNTARY TAX" THESIS

- *Brushaber v. Union Pacific R.R.*, 240 U.S. 1 (1916) — 16th Amendment upheld; income tax reaches domestic-source income.
- *Stanton v. Baltic Mining Co.*, 240 U.S. 103 (1916) — 16th Amendment did not require apportionment.
- *Flora v. United States*, 362 U.S. 145 (1960) — "voluntary self-assessment" means the taxpayer computes their own liability; the obligation is compulsory.
- *Commissioner v. Glenshaw Glass Co.*, 348 U.S. 426 (1955) — income includes realised accessions to wealth (wages included).
- *Commissioner v. Kowalski*, 433 U.S. 77 (1977) — compensation is income.
- *United States v. Connor*, 898 F.2d 942 (5th Cir. 1990) — "wages are not income" is not objectively reasonable.
- *United States v. Benson*, 941 F.2d 598 (7th Cir. 1991) — 16th Amendment was properly ratified.
- *Parker v. Commissioner*, 117 T.C. 213 (2001) — § 1 imposes the tax; § 6151 requires payment.
- *United States v. Bowers*, 920 F.3d 220 (4th Cir. 2019) — "no liability statute" argument rejected.
- *United States v. Anderson* (6th Cir.) — bonded promissory notes are not a legitimate method of payment.
- *United States v. Woods* — § 6020(b) substitute returns are valid.
- *Meads v Meads*, 2012 ABCA 468 (Alberta Court of Appeal) — landmark taxonomy of "Organized Pseudo-Commercial Argument" (OPCA), adopted across the Commonwealth.

APPENDIX C — IRS REFERENCE MATERIALS

- IRS, *The Truth About Frivolous Tax Arguments* (annually updated compendium).
- Rev. Rul. 2007-14 (identifying positions as frivolous).
- Notice 2010-33 (listing frivolous positions subject to § 6702).
- IRS "Dirty Dozen" annual list of tax scams.

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APPENDIX D — PROMOTER OUTCOME SUMMARY

Promoter	Method	Does it work (law)?	Criminal outcome
Freedom Law School (Peymon)	"Voluntary tax" / geographic limitation	**No**	No prosecution to date; 25+ years operating
Joe Banister	Tax-protester thesis	**No**	Acquitted 2005; CPA revoked; Circular 230 suspended; client Thompson imprisoned
Brandon Joe Williams	UCC discharge / vapor money	**No**	100% litigation loss rate; sanctions; filing restrictions
David Straight	ASN / 5-Star Passport	**No**	Arrested 2023; wife Bonnie imprisoned
Cal Washington	Notice of Liability	**No**	Non-operational; "paper terrorism" risk
Roger Elvick	Redemption / A4V	**No**	**Imprisoned**
Winston Shrout	Bonded promissory notes	**No**	**Imprisoned (2017)**

Report prepared 29 July 2026 for the Ecclesia Law technical-paper series. This report is an analytical commentary on publicly available website content, court records, and publicly recorded legal materials; it is not legal advice and does not constitute a position on any individual's tax situation. Ecclesia Law operates exclusively under Attorney-in-Fact mandates as a private legal agent, not as a BAR-regulated public law practice.